

## AN ACT

ENTITLED, An Act to require a managed care plan to have a medical director or director.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. Terms used in this Act mean:

- (1) "Managed care contractor," a person who establishes, operates, or maintains a network of participating providers; or contracts with an insurance company, a hospital or medical service plan, an employer, an employee organization, or any other entity providing coverage for health care services to operate a managed care plan;
- (2) "Managed care entity," a licensed insurance company, hospital or medical service plan, health maintenance organization, an employer or employee organization, or a managed care contractor that operates a managed care plan;
- (3) "Managed care plan," a plan operated by a managed care entity that provides for the financing or delivery of health care services, or both, to persons enrolled in the plan through any of the following:
  - (a) Arrangements with selected providers to furnish health care services;
  - (b) Explicit standards for the selection of participating providers; or
  - (c) Financial incentives for persons enrolled in the plan to use the participating providers and procedures provided for by the plan.

Section 2. A managed care plan shall appoint a medical director who has an unrestricted license to practice medicine. However, a managed care plan that specializes in a specific healing art shall appoint a director, who has an unrestricted license to practice in that healing art. The director is responsible for oversight of treatment policies, protocols, quality assurance activities, and utilization management decisions of the managed care plan.

Section 3. Nothing in this Act applies to dental only, vision only, accident only, school accident, travel, or specified disease plans or plans that primarily provide a fixed daily, fixed occurrence, or

fixed per procedure benefit without regard to expenses incurred.

An Act to require a managed care plan to have a medical director or director.

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I certify that the attached Act  
originated in the

HOUSE as Bill No. 1009

\_\_\_\_\_  
Chief Clerk  
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\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

House Bill No. 1009

File No. \_\_\_\_\_

Chapter No. \_\_\_\_\_

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Received at this Executive Office  
this \_\_\_\_ day of \_\_\_\_\_ ,

19\_\_ at \_\_\_\_ M.

By \_\_\_\_\_  
for the Governor  
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The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 19\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.  
Office of the Secretary of State

Filed \_\_\_\_\_, 19\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State